

# The First WORKS Conference on Transformation of Work in a Global Knowledge Economy<sup>i</sup>

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## Project background and conference aims

In the last decade, "Globalisation" has become a common topic of public debate. Like a force of nature, it seems to be unlimited in its scope and consequences, and restructuring of firms as well as nation states and welfare systems are justified by it. Production in different sectors is increasingly organised in value chains which extend over national boundaries, act in varying environments and are becoming more flexible due to modularisation and segmentation into autonomous and partially autonomous business functions. Undoubtedly, globalisation has a wide variety of effects on societies. Nevertheless, detailed and systematic accounts on how the global integration of markets and value chains impact companies, working life and political and legislative options are still rare. For the social sciences, this poses new challenges in terms of describing and conceptualising globalisation, in bridging the gap between analysis on the micro- and macro-level and in terms of methodology. The examination of value chains of increasing complexity also requires the cooperation of researchers across borders and new, innovative approaches. The WORKS research project is an attempt at understanding global value chains and their varying impacts on work organisation, societies and working life. It combines the efforts of research institutes in 13 European countries<sup>2</sup>.

The relationship between the changes of the global economy and individual working conditions formed the background of the first WORKS conference "The transformation of work in a global knowledge economy: towards a conceptual framework", held in Chania, Greece from 21st – 22nd September, 2006 and attended by around 50 European researchers. Experts from academia and trade unions from all over the world were invited to give insights into their field of research, contributing to one of the main topics of the conference: (i) globalisation and organisational restructuring, (ii) workers' organisation, the quality of working life and the gender dimension and (iii) global experiences and recommendations. The purpose of the conference was to get an input of high-level experts on relevant topics for the further research

conducted in the WORKS-project. This report summarises all presentations held at the conference.

## **Conceptualising Globalisation and organisational restructuring**

The first session "Conceptualising globalisation and the role of the state" gave an outlook on the general context of globalisation. In the opening presentation, Elmar Altvater (Freie Universität Berlin, Germany) outlined driving powers and developments of globalisation. Disembedding of markets from spatial and social contexts and acceleration of production and consumption are not only an implication of globalisation, but has been attributes of capitalism or market economies from the very beginning. Today's situation, however, can be characterised as the industrial production model based on the use of fossil fuels, which is now in a crisis because of waning resources. Another reason for the crisis is the stagnation of real interest rates, while at the same time financial markets are exercising pressure on commodity and labour markets. The consequences are (i) an increasing acceleration of production and accumulation by means of dispossession on the economic level, (ii) the waning sovereignty of the state on the social level, and (iii) on the political level the congruence of neo-liberal and neo-conservative strategies to secure access to the remaining fossil fuels resources – which could be called 'petro-governance'. Altvater concluded that with the fossil energy system, capitalism had found an energy system matching its needs. The question today, however, is: "Which societal formation matches an energy system based on renewable resources?"

David Coates (Wake Forest University, USA) traced and compared the development of the three major varieties of capitalism represented in the U.S., in Western Europe, and in Japan which were, according to him, mainly influenced by state institutions. He showed that due to global capital flows as well as to the global spread of commodity production the state actors came under increasing pressure to fulfil the conditions of the "new global market place". The overall reaction was to cut back social costs and job protection. David Coates proposed to take the consequences of the globalisation seriously in order to raise living and working conditions for working people worldwide. Therefore he proposed a political approach to strengthen the alliances of organisations worldwide: national labour movements insisting on fair rewards and global social movements aiming at fair trading conditions. Steffen Lehndorff (Institut für Arbeit und Technik, Gelsenkirchen, Germany) dealt as well as the previous speaker with distinctive varieties of capitalism. He gave a lecture on national employment models in the era of globalisation and presented results from the pan-European research project "DYNAMO – Dynamics of National Employment Models"<sup>ii</sup>. Main objective of the DYNAMO project is to identify the distinctive varieties of economic concepts responding to globalisation. DYNAMO analyses convergence and differences of these economic concepts. Lehndorff illustrated differences between fiscal policy, monetary policy, labour market reforms and industrial relations in Sweden and Germany, which are flagships of negotiated capitalism or coordinated market economies in Europe. The case of Sweden could be taken as an example of policy options in a globalised world, where national policy is not inevitably powerless; the experiences from Sweden demonstrate quite the contrary: policy matters.

In the session on "Global corporate restructuring", Tim Sturgeon (Industrial Performance Centre, at the Massachusetts Institute of Technology, U.S.A.) presented the approach of the global value chains initiative on value chain governance.<sup>4</sup> Vertical disintegration<sup>5</sup> of Value Chains has been one of the most prominent developments of world economy in the past several decades, raising the question of forms of network governance in industrial value

chains. Sturgeon presented key elements of value chain governance analysis, outlined typical problems and conflicts in network-production environments and discussed the implications of various governance forms for the development and implementation of state policies aiming at industrial upgrading and economic development.

Chris Benner (Pennsylvania State University, USA) focussed on labour market intermediaries in the U.S., a field of research that is often neglected. Based on a survey of two U.S.-American regions he pointed out that intermediaries like temporary agencies or community-based organisations are widespread with a diverse range of types, impacts, and users. To illustrate the last point, these organisations supported not only the unemployed looking for a new job but also high-educated workers looking for a better one. All in all, he emphasised the growing importance of labour market intermediaries.

The session on "Organisational restructuring, flexibilisation strategies and national institutional responses", dealt with the development and description of flexibilisation in the global economy. Markus Promberger (Institut für Arbeitsmarkt- und Berufsforschung, Nuremberg, Germany) showed how globalisation had an unintended 'recoil-effect' on the economies of the early-industrialised countries. By outsourcing their production increasingly to newly industrialised countries, a competition ensues which leads to the decline of industrialised labour in the former. The shift to tertiary economy and rearrangement of production patterns thus are not only consequences of further mechanisation and rationalisation, but also of competition between metropolitan societies and peripheral economies. For the German labour market, this results in a net loss in jobs and increasing flexibilisation of labour, like the decline of fixed-term employment, downward intersectoral mobility and unemployment.

The need for well-founded empirical data in order to describe the effects of flexibilisation efficiently was accentuated by Peter Ester (Institute for Labour Studies, Tilburg, Netherlands). He showed that an encompassing description of the development of flexibilisation strategies in the knowledge-based economy mainly depends on significant data. In order to gain insights into current developments he strongly emphasised the need for European-wide comparative company surveys. To illustrate his point, Ester presented results of a cluster analysis of firms across Europe showing a typology of flexible work organisation practices, which is based on European Survey on Working Times (ESWT), an organisation survey by the European Foundation for the Improvement of Living and Working Conditions.

## **Workers' organisation, the quality of working life and the gender dimension**

The session "Social dialogue, worker organisation and representation" focussed on challenges for European trade unions in a globalised world. The contributions of *Carla Kiburg* and *Béla Galgóczi* dealt with trade unions' difficulties acting and reacting independently from their national policy and economic context. Kiburg from the Dutch trade union "FNV Bondgenoten" emphasised that unions have different answers to globalisation, such as protectionism, patriotism or downwards pressure on salaries and working conditions. She presented the research project "MOOS – Making Offshore Outsourcing Sustainable"<sup>6</sup>, which aims at providing an international trade union strategy for making outsourcing processes economically and socially sustainable. Galgóczi (European Trade Union Institute for Research, Education and Health and Safety, Belgium) dealt with reorganisation of global value chains and with relocation of jobs and production capacities to lower wage countries. Regarding the challenges for trade unions and workers, he emphasised that trade unions should implement an active management of structural change in a forward-looking way with the involvement of

social partners and with strengthened workers participation to cope with the threats of globalisation.

In the session "Impacts on the quality of working life", *Greet Vermeylen* (European Foundation for the Improvement of Living and Working Conditions, Dublin, Ireland) presented the European Working Conditions Survey and lectured on methodology and findings from it. The survey aims to identify trends in working conditions and to provide an overview of the state of working conditions in Europe. As one of the most important results, work intensity is increasing mainly due to new models of work organisation, which in turn affect health and quality of work. On the other hand, job satisfaction is increasing as well, so there are ambivalent effects of modernisation of work organisation. She further focussed on the analytical framework used in the survey and possible indicators for work organisation, such as worker's autonomy, teamwork and work intensity. *Mimmo Carrieri* (University of Teramo, Italy) showed how in the discussion on post-industrialised work, the focus is recently shifting to questions of quality of work and topics like appreciation and increasing legal insecurities. He also pointed out the increase in job satisfaction that surveys have shown, while at the same time, flexible forms of work and stress are on the rise and income and career perspectives are in decline on a generational level. Carrieri concluded that the growing quality of work is not able to counterbalance job insecurity.

The session "The gender dimension" started with the presentation of *Patricia Vendramin* (Foundation Travail-Université, Namur, Belgium). Based on her empirical research in the field of IT-technologies she pointed out that despite of possible positive assumptions of new, more flexible working conditions due to technological changes the inequality between the sexes still exists. Changes that occur regarding working time, career development and ICT-skills are not gender-neutral; they seem, furthermore, to favour the living conditions of men.

The session was concluded by *Ewa Gunnarsson* (National Institute for Working Lives, Stockholm, Sweden) that has showed how gender could be integrated in the research process. She presented gender as a conceptual, more holistic approach that goes beyond the demonstration of ongoing inequality in the productive sphere and incorporates the relation between the productive and the reproductive sphere. One way of integrating the gender theory in research design is the use of the concept of the gender contract as a constant "gender reminder". The concept encompasses the sex-segregation of labour in terms of paid and unpaid work. If gender is integrated in research design, it is extremely important to remain sensitive for gender-related issues (e.g. the relationship between work and life) during the whole research process. This structural inclusion of gender becomes necessary regarding the gender-related relationships between the structural and the individual level. At the individual level gender often is regarded as a "no topic", but analysing it, structural pattern become visible. But even the structural inclusion of gender themes in a research process fails if there remains a resistance to gender themes, as Gunnarsson often observed.

## Global experiences and recommendations

The session "Impact on workers, organisations and regions: empirical results" gave an encompassing insight into empirical results of call centre work from all over the world. The distribution of call centres as an organisational production model for service work is increasing. This type of work is highly flexible, prone to outsourcing and based on the same type of technologies. *Ursula Holtgrewe* (FORBA, Vienna, Austria) reported on findings from her research on global call centres in the "Global Call Centre Industry Project". The main result of the project is that call centres are not a picture of convergence, e.g. the image of the "global electronic sweatshop" does not represent call centres on the whole. Holtgrewe underlined the

embeddedness of the call centres in their national institutional context, which plays a decisive role in terms of working conditions, job quality and quality of life.

The results from Canada (*Norene Pupo*, Centre for Research on Work and Society, Toronto) and Denmark (*Ole H. Soerensen*, National Institute of Occupational Health, Copenhagen) also showed the influences of national conditions and institutional contexts on the organisation of call centre work. But the developments are ambivalent: Based on an outsourcing case in the public sector, Pupo showed that call centre work, even under good conditions, is experienced as a “virtual assembly line work”. It leads to the construction of a new identity of the workers from the former public sector and the rapid decline of the quality of the services offered. Soerensen figured out that the embedding in local and organisational structures is decisive: the worst working conditions are found in the case of subcontractors.

In her presentation, *Penny Gurstein* (University of British Columbia, Vancouver, Canada) asked for the impact of tele-mediated work on workers’ lives at the example of Canadian companies offering services for companies abroad. She concluded, that tele-mediated work represents a shift in the scale at which many aspects of daily life unfolds, and that the assumptions upon which workers’ lives are governed must be reconsidered. *Anita Weiss de Belalcázar* (University of Colombia, Bogotá, Colombia) presented her research on call centres in Colombia and on contextualising call centre studies in different countries. In the case of Colombia, the institutional setting is the most formative factor. Particularly the bad economic situation and the failure of the state to even control violence, leave call centre agents in a weak position while at the same time they usually have to support families with these jobs. *Inger-Marie Wiegman* (Team Working Lives Consulting, Valby, Denmark) presented a case of Call Centre restructuring, in which empowerment of employees combined with training of management at the same time improved working conditions and work output, measured in customer satisfaction, thus creating a win-win-situation.

The last session “The View from the South” gave inputs to the conference from another geographical context – and from a different point of the global value chain. A perspective from the south is often not considered in the discussion on restructuring processes and changes of work in the era of globalisation. The speakers’ highlighted results from research projects on call centres in India (*Sujata Gthoskar*, Forum Against Oppression of Women, Mumbai), on the textile industry in Morocco (*Saâd Belghazi*, University of Rabat) and on the automotive industry in Brazil (*Marcia de Paula Leite*, State University of Campinas). They focussed on changes of work and organisational restructuring. The cases from India, Africa and South America show that the availability of skills and knowledge become more and more important in the national labour markets. However, the example of India illustrated that access to knowledge is mostly restricted to gender, caste and class of people. Predominantly highly skilled people and the small proportion of people with good skills in English are working in call centres. Gthoskar identified an alienation of workers from the knowledge they work with. That means “knowledge work” does not automatically have an emancipatory effect. Moreover, work becomes more precarious, in particular for unskilled workers. For instance, in the case of Brazil, organisational and institutional restructuring lead to more subcontracting and to an increasing flexibility in terms of labour contracts and working time.

## Conclusions

The first WORKS-conference proved to offer fascinating insights in the process of globalisation on very different societal levels. As the most important result, the concept of examining the effects of globalisation along global value chains proves to be a promising way

to conceptualise diverging effects of globalisation, thus allowing integration into a differentiated concept. With the help of this concept, the effects of global developments on organisations, individual life and working conditions are becoming more tangible and interactions between these different levels are made visible. Also, the conference stressed the growing importance of the workplace as a focal point of study for the understanding of globalisation. "The workplace is the place where the individual encounters the global", as the organiser Ursula Huws (Working Lives Research Institute, London Metropolitan University, United Kingdom) summarised at the end of the first WORKS conference.

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<sup>2</sup> WORKS is the project acronym standing for "Work Organisation and Restructuring in the Knowledge Society". Main goals of WORKS are to understand changes in work in the knowledge society, to identify drivers of change and to deduce implications for the use of knowledge and skills for the quality of life. The research programme of WORKS offers a wide variety of tasks: The project gives an overview of current theories and concepts of changes of work, describes different regional institutional contexts and national policies and maps quantitative surveys of change of work organisation for secondary analysis. Moreover, WORKS examines the restructuring of global value chains for specific functions and business environments. See <http://www.worksproject.be>.

<sup>iii</sup> <http://www.iatge.de/projekt/2005/dynamo/>.

<sup>4</sup> <http://www.globalvaluechains.org>.

<sup>5</sup> E.g. in the form of "transactions" taking place inside a single firm; but also organisational vertical integration.

<sup>6</sup> <http://www.moosproject.be/>.